

## Message Text

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67

ACTION ARA-10

INFO OCT-01 ISO-00 SP-02 AID-05 EB-07 NSC-05 CIEP-01

TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00 COME-00

FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04 SIL-01

DODE-00 PM-03 H-02 L-03 PA-01 PRS-01 NSCE-00 SSO-00

USIE-00 INRE-00 /082 W

----- 068494

O R 1600104Z JUL 75

FM AMEMBASSY GUATEMALA

TO SECSTATE WASHDC IMMEDIATE 7396

INFO AMEMBASSY TEGUCIGALPA

AMEMBASSY SAN SALVADOR

AMEMBASSY SAN JOSE

AMEMBASSY MANAGUA

AMEMBASSY PANAMA

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E.O. 11652: N/A

TAGS: PFOR, EINV, GT

SUBJECT: WALL STREET JOURNAL AND DEL MONTE: PRESS COVERAGE

REF: GUATEMALA 3672

SUMMARY. WALL STREET JOURNAL STORY DOMINATED TUESDAY AFTERNOON GUATEMALAN PRESS AND WILL UNDOUBTEDLY DO SO FOR SOME TIME TO COME. AMBASSADOR'S VISIT TO FONMIN FRONT-PAGED. CONGRESS UNANIMOUSLY ADOPTED RESOLUTION CHARGING "FRAUDULENT" DEALINGS BY DEL MONTE AND DEMANDING FULL INVESTIGATION BY ATTORNEY GENERAL.

1. STORY BROKE IN GUATEMALA IN LA TARDE JULY 14 WITH TWO-INCH HEADLINE "BRIBERY IN GUATEMALA\*" OVER BRIEF AFP STORY DATED NEW YORK WHICH RECITED BASIC FACTS OF JOURNAL  
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ARTICLE (INCLUDING 1971-72 TIMEFRAME) BUT OMITTED MENTION OF ANY GUATEMALAN NAMES. ONLY PERSON CITED BY NAME IN STORY WAS FORMER AMBASSADOR NATHANIEL DAVIS. DEL MONTE, SAID AFP, WOULD HAVE PREFERRED TO IGNORE ADVICE OF DAVIS, "WHO RECOMMENDED SERVICES OF A LOCAL CONSULTANT AND AS RESULT OBTAINED GOG APPROVAL.

2. MORNING PAPERS JULY 15 APPEARED HESITANT IN THEIR REACTIONS, AS THOUGH STILL SOMEWHAT STUNNED (DESPITE SEVERAL COLUMNISTS AND EDITORIALS IN RECENT MONTHS COMMENTING THAT HONDURAN CASE NOT ALL THAT UNUSUAL AND BRIBERY NOT UNKNOWN IN GUATEMALA). ALERTA AND PRENSA LIBRE DID NOT CARRY STORY AT ALL. EL GRAFICO HAD BANNER HEADLINES ON APOLLO-SOYUZ AND A TINY BOX ON FRONT PAGE, "US PAPER SAYS BRIBERY CASE IN GUATEMALA." ON PAGE 3 IT CARRIED SAME AFP STORY, WITH INTRODUCTORY PARA SAYING JOURNAL HAD AGAIN "SHAKEN ECONOMIC AND POLITICAL CIRCLES OF LATIN AMERICA." LA NACION CARRIED NOTHING ON FRONT PAGE; ON PAGE 10 IT CARRIED AP STORY BY DAVID SMYTH, AGAIN OMITTING ALL GUATEMALAN NAMES BUT ALSO OMITTING AMBASSADOR DAVIS. NACION ALSO HAD FIRST LOCAL ANGLE: AN INTERVIEW WITH CARLOS PINTO, MANAGER OF DEL MONTE SUBSIDIARY BANDEGUA, WHO SAID HE HAD HEARD NOTHING ABOUT STORY AND THAT ANY STATEMENT WOULD HAVE TO COME FROM DEL MONTE HEADQUARTERS IN SAN FRANCISCO.

3. DAM BROKE IN AFTERNOON PRESS. IT WAS LEAD STORY IN TWO PAPERS AND SECOND ONLY TO APOLLO-SOYUX IN THIRD. LA TARDE AND EL IMPARCIAL FRONT-PAGED PHOTOGRAPHS OF AMBASSADOR EMERGING FROM FOREIGN MINISTER'S OFFICE (REFTE), LA TARDE HEADING "MELY CALLED TO CHANCELLERY" AND "PRESIDENT ORDERS INVESTIGATION OF BRIBE." LA TARDE STORY CONSISTED EXCLUSIVELY OF OFFICIAL GOG COMMUNIQUE (SEPTTEL) LA HORA LEAD HEADLINE SAID "HE WHO WAS INVOLVED IN BRIBE (I.E., NAMELESS CONSULTANT) WILL BE DECLARED TRAITOR TO MOTHERLAND," QUOTING MINISTER OF ECONOMY PALOMO. IT THEN REHASHES AFP STORY, BUT FOR FIRST TIME (AS DOES ALSO EL IMPARCIAL) MENTIONS THAT CARLOS ARANA OSORIO WAS AT THAT TIME PRESIDENT OF LIMITED OFFICIAL USE

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GUATEMALA. IMPARCIAL QUOTES UNATTRIBUTED SPECULATION THAT "VARIOUS EX-MINISTERS" OF ARANA'S GOVERNMENT COULD BE THE MYSTERIOUS GO-BETWEEN, AND THEN NOTES THAT FINANCE MINISTER JORGE LAMPORT, WHO WAS FIRST MINISTER TO SEE PRESIDENT THIS MORNING, IS HOLDOVER FROM ARANA REGIME.

4. SEPARATE LA HORA STORY HEADED "US AMBASSADOR

CALLED IN BY GOVERNMENT" SAYS AMBASSADOR FOLLOWING 20-MINUTE MEETING WITH FONMIN TOLD REPORTERS ANY STATEMENT MUST COME FROM MINISTER. FONMIN OBLIGED BY TELLING PRESS HE HAD NOT DELIVERED PROTES TO AMBASSADOR BECAUSE USG HAS DONE NOTHING TO PROTEST; RATHER HE HAD ASKED THAT USG LEND ITS FULL COOPERATION TOWARD ESTABLISHING TRUTH OF ALLEGATION. GOG WILL ALSO ASK JOURNAL TO FURNISH ANY EVIDENCE IN ITS POSSESSION.

5. IMPARCIAL SYAS "BRIBE AFFAIR UNDER INVESTIGATION, PRESIDENT INTERVENES IN SEARCH FOR CLARIFICATION, GIVES ORDER TO GET TO BOTTOM OF INCIDENT THAT OCCURRED UNDER ANOTHER GOVERNMENT, ASKS COOPERATION OF USG." IMPARCIAL CARRES FULL TEXT OF RESOLUTION INTRODUCED BY PRO-GOVERNMENT PID PARTY IN CONGRESS TUESDAY MONING AND APPROVED UNANIMOUSLY. WHEREAS CLAUSES REFER TO "POSSIBILITY OF A CASE OF BRIBERY OF A GUATEMALAN CITIZEN IN ORDER TO CARRY OUT FRAUDULENT NEGOTIATION SO THE DEL MONTE COMPANY, AGAINST THE POLICY OF THE GUATEMALAN GOVERNMENT THAT HAD ROUNDLY OPPOSED THE NEGOTIATION IN QUESTION, UNDENIABLY IN FAITHFUL COMPLIANCE WITH THE LAWS AND DEAREST NATIONAL INTERESTS." RESOLUTION RECOMMENDS THAT EXECUTIVE, THROUGH ATTORNEY GENERAL'S OFFICE, CARRY OUT EXHAUSTIVE INVESTIGATION AND SUPPORTS STEPS IN HAT DIRECTION EXECUTIVE HAS ALREADY TAKEN. IN STATEMENT ACCOMPANYING RESOLUTION PID DEPUTIES NOTE THAT DEL MONTE PURCHASES DAMAGED NATIONAL INTERESTS BY PREVENTING NATIONAL INVESTERS FROM ACQUIRING UNITED BRANDS PROPERTIES. PID STATEMENT DID NOT NAME INVESTORS, BUT SEPARATE IMPARCIAL STORY REVEALS ROBERTO ALEJOS HEADED GROUP OF UNSUCCESSFUL BUYERS.

6. THERE WILL BE LOTS MORE.

MELOY

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\*\*\* Current Handling Restrictions \*\*\* n/a

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## Message Attributes

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